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June 04, 2014

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO MEDICAL SCHOOL AFFILIATION  
AGREEMENT BETWEEN THE COUNTY OF LOS ANGELES AND THE  
REGENTS OF THE UNIVERSITY OF CALIFORNIA  
(2nd AND 5th SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval of an Amendment to the Affiliation Agreement with the Regents of the University of California, on behalf of its Los Angeles Campus and School of Medicine, to add additional purchased services and increase the maximum obligation of the Agreement.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and instruct the Chairman of the Board of Supervisors (Chairman) to execute Amendment No. 6 to Agreement No. 76850 (H-702099) with the Regents of the University of California, on behalf of its Los Angeles Campus and Medical School (UCLA), effective on July 1, 2014, for the provision of physician medical education and patient care services at Harbor-UCLA Medical Center (H-UCLA MC) and Olive View-UCLA Medical Center (OV-UCLA MC), to add additional purchased services and increase the maximum obligation from \$27,425,000 to \$28,781,000, for the period July 1, 2014 through June 30, 2015.
2. Make a finding as required by Los Angeles County Code section 2.121.420 that contracting for the provision of physician services (trainee and non-trainee) at H-UCLA MC and OV-UCLA MC, as described herein, can be performed more feasibly by contracting with the private sector.

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

14 June 4, 2014

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the first recommendation will allow the Chairman to execute the Amendment (Exhibit I) with UCLA to: 1) provide for the recruitment of two preventative medicine fellows (physician trainees) at H-UCLA MC to begin a two-year fellowship program that represents a joint effort between the Department of Public Health (DPH) and Department of Health Services (DHS) to recruit young physician leaders with strong clinical skills interested in shaping the public health and physical health services provided by Los Angeles County; 2) enable H-UCLA MC faculty to continue to supervise, train and provide consultation to residents and other trainees providing services to Department of Mental Health (DMH) patients; 3) adjust the number of specialty physician residents participating under the County and University Training Programs at H-UCLA MC and OV-UCLA MC to align physician trainee resources with patient volume, workflow patterns and staffing; and 4) increase compensation for physician trainees employed by the University (University Housestaff) at OV-UCLA MC based on the Council of Teaching Hospitals (COTH) recommendations for FY 2013-14 and FY 2014-15 to achieve parity with national median resident physician salaries, and to attract the most qualified and capable physicians to pursue advanced training at OV-UCLA MC. The University absorbed the FY 2013-14 increase of \$517,500 as a one-time consideration only during FY 2013-14. Beginning in FY 2014-15, DHS will fund the increase previously paid by UCLA in FY 2013-14, and fund an additional increase of \$428,500, for a total increase of \$946,000,. DHS' analysis shows that the recommended salary adjustment for UCLA residents is comparable to the salaries received by County residents.

Approval of the second recommendation continues prior Board findings that contracting for the provision of physician services (trainee and non-trainee) under this Amendment at H-UCLA MC and OV-UCLA MC can still be performed more feasibly by contracting with the private sector.

### **Addendum A – Purchased Services**

#### **County and University Training Programs**

Pursuant to the Agreement, there is a range of County and University training programs in place at H-UCLA MC and OV-UCLA MC. Within each training program, physician trainees could be employees of the County (County Housestaff) or University Housestaff whose compensation is funded by the County under the MSAA). Attachments I and II identifies the costs, programs and the respective Full Time Equivalent (FTE) residents, and is updated to reflect changes in the accredited training programs based at each of these facilities.

H-UCLA MC changes include an additional 2.0 FTE residents (one each for FY 2013-14 and FY 2014-15) for the Emergency Department residency training program that was approved by the ACGME to increase. In addition, the ACGME approved an increase in the length of the training program from three to four years. As the additional 2.0 FTEs, and the remaining trainees are County Housestaff, there is no increased cost to the MSAA. The University, DPH and H-UCLA MC are funding the 2.0 FTEs, who will be University Housestaff, for the new Preventative Medicine Fellowship University training program, at an additional cost of \$150,000. The H-UCLA MC changes also add \$260,000 in DMH funding to the Agreement to continue to train, supervise and provide consultation to residents serving DMH patients, while at the DMH clinic located on the H-UCLA MC campus, and at other DMH service locations. Such services were formerly funded under an agreement between DMH and UCLA, and will be transferred to this Agreement at the same service level. The remaining changes include no-cost adjustments in the number of various housestaff specialties summarized in Attachment II resulting in no net increase or decrease to trainee FTEs to reflect changes in patient volume, workflow patterns and staffing, all at no additional cost under the

MSAA.

OV-UCLA MC changes include adjustments to various housestaff specialties summarized in Attachment II resulting in no net increase or decrease to trainee FTEs to reflect changes in patient volume, workflow patterns and staffing, all at no additional cost under the MSAA.

In addition, the OV-UCLA changes include an increase beginning in FY 2014-15 in the amount paid under the MSAA to University Housestaff at OV-UCLA to achieve parity with national median resident physician salaries, as summarized in Attachment I.

### **Implementation of Strategic Plan Goals**

The recommended actions support Goal 1, Operational Effectiveness, and Goal 2, Fiscal Sustainability, of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

The maximum annual County obligation for H-UCLA MC and OV-UCLA MC under the amended Agreement in FY 2014-15 will be increased by \$1,356,000. H-UCLA MC's \$410,000 increase is funded by \$260,000 from DMH, \$75,000 from DPH, and \$75,000 from DHS. The OV-UCLA MC increase of \$946,000 is fully funded by DHS. Funding for this Agreement will be requested in the DHS FY 2014-15 Final Changes Budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

DHS entered into the current Agreement with UCLA effective July 1, 2006 through June 30, 2011, with a one-year automatic extension at the end of each contract year, unless either party serves notice of non-renewal to the other party.

The recommended Amendment includes the changes in FTEs for County and University training programs, the specific volume, and cost of academic purchased services. If DMH anticipates loss of the mental health funding for the following academic year, DHS will give notice to the University 60 days prior to the start of the new fiscal year to remove these newly added FTEs.

On June 19, 2012, your Board made the finding as required by Los Angeles County Code section 2.121.420 that contracting for the provision of physician services (trainee and non-trainee) at OV-UCLA MC and H-UCLA MC can be performed more feasibly by contracting with the private sector.

County Counsel has approved Exhibit I as to form.

### **CONTRACTING PROCESS**

Given the nature and scope of the services provided by UCLA under the Agreement, as well as the historic relationship between the County and UCLA, the Department determined that it was not feasible to competitively bid this agreement.

The Honorable Board of Supervisors

6/4/2014

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**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The Agreement will continue the provision of clinical and academic services at the H-UCLA MC and OV-UCLA MC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

ck

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

**COST SUMMARIZED BY FACILITY****Fiscal Year 2014-15**

The maximum County obligation under the amended Agreement in FY 2014-15 will be \$28,643,500 for H-UCLA MC and OV-UCLA MC.

<b>Facility</b>	<b>Current Agreement</b>	<b>Amended Agreement FY 2014-15</b>	<b>Variance</b>
H-UCLA MC	\$9,104,000	\$9,514,000	\$410,000
OV-UCLA MC	\$18,321,000	\$19,267,000	\$946,000
<b>Total UCLA</b>	<b>\$27,425,000</b>	<b>\$28,781,000</b>	<b>\$1,356,000</b>

<b>H-UCLA MC</b>	
<b>Description</b>	<b>Program Cost</b>
Faculty Members - Psychiatry	\$260,000
University Housestaff - Preventative Medicine	\$150,000
<b>Gross Total H-UCLA MC</b>	<b>\$410,000</b>
Funding Sources:	
Department of Mental Health	-\$260,000
Department of Public Health	-\$75,000
Department of Health Services	-\$75,000
<b>Net Total H-UCLA MC</b>	<b>\$0</b>

<b>OV-UCLA MC</b>	
<b>Description</b>	<b>Program Cost</b>
University Housestaff	\$946,000
<b>Gross Total OV-UCLA MC</b>	<b>\$946,000</b>
Funding Sources:	
Department of Health Services	-\$946,000
<b>Net Total OV-UCLA MC</b>	<b>\$0</b>

## COUNTY AND UNIVERSITY TRAINING PROGRAMS

Agreement Exhibits I and II list the County and University training programs in place at H-UCLA MC and OV-UCLA MC. Changes to the training programs are as follows:

### H-UCLA MC

Description	FY 2012-13 FTE	FY 2014-15 FTE	FTE Change
<b><u>FTE increases in ACGME Accredited County training programs:</u></b>			
Anesthesiology	15.00	20.00	5.00
Emergency Medicine	45.00	47.00	2.00
OG/Gyn Female Pelvic Reconstructive Surgery	0.00	3.00	3.00
Surgery	46.00	47.00	1.00
Transitional Year	24.00	18.00	-6.00
<b><u>FTE increases in ACGME Accredited University training programs:</u></b>			
Preventative Medicine	0.00	2.00	2.00
<b>Sub-Total H-UCLA MC</b>	<b>130.00</b>	<b>137.00</b>	<b>7.00</b>
<b><u>FTE increases in Non-ACGME Accredited County training programs:</u></b>			
OB/Gyn Female Pelvic & Reconstructive Surgery	3.00	0.00	-3.00
<b>Sub-Total H-UCLA MC</b>	<b>3.00</b>	<b>0.00</b>	<b>-3.00</b>
<b>Total H-UCLA MC</b>	<b>133.00</b>	<b>137.00</b>	<b>4.00</b>

### OV-UCLA MC

Description	FY 2012- 13 FTE	FY 2014- 15 FTE	FTE Change
<b><u>FTE increases in ACGME Accredited University training programs:</u></b>			
Emergency Medicine OV/Urgent Care	30.00	28.00	-2.00
<b>Sub-Total OV-UCLA MC</b>	<b>30.00</b>	<b>28.00</b>	<b>-2.00</b>
<b><u>FTE increases in ACGME Accredited County training programs:</u></b>			
Emergency Medicine/Internal Medicine	3.00	0.00	-3.00
Internal Medicine-General	76.75	79.75	3.00
Internal Medicine-Hematology/Oncology	10.00	11.00	1.00
Internal Medicine-Sleep Medicine	0.00	1.00	1.00
<b>Sub-Total OV-UCLA MC</b>	<b>89.75</b>	<b>91.75</b>	<b>2.00</b>
<b>Total OV-UCLA MC</b>	<b>119.75</b>	<b>119.75</b>	<b>0.00</b>

**AFFILIATION AGREEMENT**

Amendment No. 6

THIS AMENDMENT is made and entered into this fourth day  
of JUNE, 2014,

by and between

COUNTY OF LOS ANGELES  
(hereafter "County")

and

THE REGENTS OF THE UNIVERSITY OF  
CALIFORNIA, ON BEHALF OF ITS LOS  
ANGELES CAMPUS AND SCHOOL OF  
MEDICINE (hereafter "University").

WHEREAS, reference is made to that certain document entitled "AFFILIATION AGREEMENT", dated July 1, 2006, as amended by Amendment No. 1 to the Affiliation Agreement dated November 25, 2008, and Administrative Amendment No. 2 dated June 15, 2011, and Amendment No. 3 dated June 28, 2011, Amendment No. 4 dated June 19, 2012, and Amendment No. 5 dated July 1, 2012, and further identified as County Agreement No. 76850 (H-702099) (collectively, hereafter "Agreement");

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment, which is formally approved and executed by both parties; and

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2014.
2. Any reference to Exhibit 1-I.a-2, Exhibit 1-II.a-2, Exhibit 2-I.a-2, Exhibit 2-II.a-2, Addendum A-1.a-2, Addendum A-II.a-2, Addendum A-III.a-2 and Addendum A-IV.a-2 shall refer to the updated Exhibits and Addenda Exhibit 1-I.a-3, Exhibit 1-II.a-3, Exhibit 2-I.a-3, and Exhibit 2-II.a-3. Addendum A-I.a-3, Addendum A-II.a-3, Addendum A-III.a-3 and Addendum A-IV.a-3, and shall be added to the Agreement, attached hereto and incorporated by reference.

3. Except for the changes set forth herein, the remaining terms and conditions of the Agreement shall remain in full effect.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by its Chair and seal of said Board to be hereto affixed, and attested by the Executive Officer thereof, and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officers, the day, month and year first above written.



ATTEST  
SACHI A. HAMAI,  
Executive Officer Board  
of Supervisors of the  
County of Los Angeles

By

Deputy

COUNTY OF LOS ANGELES

By

Chairman, Board of Supervisors

THE REGENTS OF THE UNIVERSITY OF  
CALIFORNIA, ON BEHALF OF ITS LOS  
ANGELES CAMPUS AND SCHOOL OF  
MEDICINE

Contractor

By

Signature

Title

(AFFIX CORPORATE SEAL HERE)

Vice Dean for Faculty  
David Geffen School  
of Medicine

APPROVED AS TO FORM

John F. Krattli  
County Counsel

By

Edward Morrissey, Principal Deputy  
County Counsel



In any event, pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Supervisors

By

Deputy

ADOPTED  
BOARD OF SUPERVISORS

14

JUN 4 2014

SACHI A. HAMAI  
SACHI A. HAMAI  
EXECUTIVE OFFICER



## EXHIBIT 1-I.a

### **County and University Training Programs - Coastal**

- 1-I.1 ACGME-Accredited University Training Programs.** University Training Programs shall include the following ACGME-accredited training programs which are based at UCLA Medical Center, pursuant to this Agreement:

Contract Year (CY):	<b>CY 12-13</b>	<b>CY 14-15</b>
	<b><u>FTEs</u></b>	<b><u>FTEs</u></b>
Internal Medicine – Gastroenterology	3.00	3.00
Internal Medicine – Rheumatology	1.00	1.00
Preventative Medicine	0.00	2.00
Surgery – Neurosurgery	2.00	2.00
Surgery – Ophthalmology	6.00	6.00
Surgery – Otolaryngology (Head & Neck)	5.00	5.00
Surgery – Plastic	1.00	1.00
Surgery – Urology	2.00	2.00
<b>Subtotal</b>	<b><u>20.00</u></b>	<b><u>22.00</u></b>

- 1-I.2 ACGME-Accredited County Training Programs.** County Training Programs shall include the following ACGME-accredited training programs which are based at Los Angeles County - Harbor-UCLA Medical Center, pursuant to this Agreement.

Contract Year (CY):	<b>CY 12-13</b>	<b>CY 14-15</b>
	<b><u>FTEs</u></b>	<b><u>FTEs</u></b>
<b>Anesthesiology</b>	15.00	20.00
<b>Emergency Medicine</b>	45.00	47.00
Emergency Medicine – Ultrasound	1.00	1.00
Family Practice	36.00	36.00
Family Medicine - Faculty Development	2.00	2.00
Family Medicine - Sports Medicine	1.00	1.00
Internal Medicine	56.00	56.00
Internal Medicine - Cardiology	15.00	15.00
Internal Medicine - Cardiology Interventional	3.00	3.00
Internal Medicine – Dermatology	5.00	5.00
Internal Medicine - Electrophysiology	2.00	2.00
Internal Medicine – Endocrinology	9.00	9.00
Internal Medicine - Advanced Interventional and Endosonography	2.00	2.00
Internal Medicine - Hematology/Oncology	13.00	13.00
Internal Medicine - Infectious Disease	4.00	4.00
Internal Medicine – Nephrology	7.00	7.00
Internal Medicine – Pulmonary	7.00	7.00
Neurology	9.00	9.00

# EXHIBIT 1-I.a

	<b>CY 12-13</b>	<b>CY 14-15</b>
	<b><u>FTEs</u></b>	<b><u>FTEs</u></b>
Neurology – Child	3.00	3.00
Neurology - Neurophysiology/EEG	2.00	2.00
Obstetrics and Gynecology	20.00	20.00
<b>OB/Gyn - Female Pelvic Reconstructive Surgery</b>	0	3.00
Orthopedic Surgery	20.00	20.00
Pathology	16.00	16.00
Pediatrics	30.00	30.00
Pediatric Child Abuse	1.00	1.00
Pediatrics - Critical Care	6.00	6.00
Pediatrics – Endocrinology	3.00	3.00
Pediatrics – Gastroenterology	1.00	1.00
Pediatrics - Emergency Medicine	3.00	3.00
Pediatrics - Infectious Disease	3.00	3.00
Pediatrics - Medical Genetics	1.00	1.00
Pediatrics – Neonatal	8.00	8.00
Psychiatry	32.00	32.00
Psychiatry – Child	8.00	8.00
Radiology	24.00	24.00
Radiology - Body Imaging	2.00	2.00
Radiology - Breast Imaging	1.00	1.00
Radiology – Interventional	1.00	1.00
Radiology – Neuroradiology	1.00	1.00
Radiology – Nuclear	1.00	1.00
<b>Surgery</b>	46.00	47.00
Surgery - General Practice –Dental	4.00	4.00
Surgery - Oral and Maxillofacial Surgery	8.00	8.00
Surgery – Vascular	2.00	2.00
<b>Transitional Year</b>	24.00	18.00
<b>Subtotal</b>	<b><u>503.00</u></b>	<b><u>510.00</u></b>

**1-I.3 Non-ACGME-Accredited County Training Programs.** County Training Programs shall include the following non-ACGME-accredited training programs which are based at Los Angeles County - Harbor-UCLA Medical Center, pursuant to this Agreement:

Contract Year (CY):	<b><u>CY 12-13</u></b>	<b><u>CY 14-15</u></b>
	<b><u>FTEs</u></b>	<b><u>FTEs</u></b>
Internal Medicine - General	2.00	2.00
OB/Gyn - Maternal Fetal Medicine	3.00	3.00
OB/GYN Female Pelvic & Reconstructive Surgery	3.00	0.00
OB/Gyn- Women's Health	1.00	1.00
Orthopedic Surgery - Foot and Ankle	1.00	1.00
<b>Subtotal</b>	<b><u>10.00</u></b>	<b><u>7.00</u></b>
<b>Grand Total</b>	<b><u>533.00</u></b>	<b><u>537.00</u></b>

## EXHIBIT 1-II.a

### County and University Training Programs - Valley Care Cluster

**1-II.1 ACGME-Accredited University Training Programs.** University Training Programs shall include the following ACGME-accredited training programs which are based at UCLA Medical Center, pursuant to this Agreement.

Contract Year (CY):	<b>CY 12-13</b>	<b>CY 14-15</b>
	<b><u>FTE</u></b>	<b><u>FTEs</u></b>
Anesthesiology	2.00	2.00
<b>Emergency Medicine OV/UC</b>	30.00	28.00
Family Medicine	4.00	4.00
Family Medicine - Mid-Valley	2.25	2.25
Internal Medicine - Cardiology	5.00	5.00
Internal Medicine - Dermatology	1.00	1.00
Internal Medicine - Gastroenterology	1.00	1.00
Internal Medicine - Infectious Disease	2.00	2.00
Internal Medicine - Pulmonary	3.00	3.00
Neurology	3.00	3.00
Obstetrics-Gynecology	14.00	14.00
Obstetrics-OV/UCGyn-Onc, UrolGyn	1.50	1.50
Ophthalmology	5.00	5.00
Pediatrics	11.00	11.00
Psychiatry *	18.00	18.00
Radiology	7.00	7.00
Surgery - General	7.00	7.00
Surgery - Head & Neck	3.00	3.00
Surgery - Plastic	2.50	2.50
Surgery - Ortho	4.50	4.50
Urology	3.00	3.00
Subtotal	<b><u>129.75</u></b>	<b><u>127.75</u></b>

\* See Paragraph A-II.3. Volume of Purchased Services.

**1-II.2 ACGME-Accredited County Training Programs.** County Training Programs shall include the following ACGME-accredited training programs which are based at Los Angeles County – Olive View-UCLA Medical Center, pursuant to this Agreement:

Contract Year (CY):	<b>CY 12-13</b>	<b>CY 14-15</b>
	<b><u>FTEs</u></b>	<b><u>FTEs</u></b>
<b>Emergency Medicine/Internal Medicine</b>	3.00	0.00
<b>Internal Medicine - General</b>	76.75	79.75
<b>Internal Medicine - Hematology/Oncology</b>	10.00	11.00
Internal Medicine - Nephrology	5.00	5.00
Internal Medicine - Rheumatology	2.00	2.00
<b>Internal Medicine – Sleep Medicine</b>		1.00

**EXHIBIT 1-II.a**

<b>Subtotal</b>	<b><u>96.75</u></b>	<b><u>98.75</u></b>
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**1-II.3 Non-Accredited County Training Programs.** County Training Programs shall include the following non-ACGME accredited training programs which are based at Los Angeles County-Olive View-UCLA Medical Center, pursuant to this Agreement:

Contract Year (CY)	<b><u>CY 12-13</u></b>	<b><u>CY 14-15</u></b>
	<b><u>FTEs</u></b>	<b><u>FTEs</u></b>
Pathology	0.50	0.50
<b>Grand Total</b>	<b><u>227.00</u></b>	<b><u>227.00</u></b>

## **EXHIBIT 2-I.a**

### **Coastal Cluster**

**The following shall constitute the Coastal Cluster:**

Los Angeles County - Harbor-UCLA Medical Center

Harbor-UCLA Family Health Center

Long Beach Comprehensive Health Center

Bellflower Health Center

Wilmington Health Center

Martin Luther King Multi-Service Ambulatory Care Center

Los Angeles County Public Health Department Service Locations  
(Preventative Medicine Fellowship Only)

Los Angeles County Department of Mental Health Service Locations  
(Only for Purchased Services funded by DMH)

Los Angeles County Department of Health Services Service Locations  
(Preventative Medicine Fellowship Only)

The Primary County Facilities shall include those facilities within the Coastal Cluster and Los Angeles County which are so identified in Addendum A-I.a-3.

**EXHIBIT 2-II.a**

**Valley Care Cluster**

**The following shall constitute the Valley Care Cluster:**

Los Angeles County - Olive View-UCLA Medical Center

Los Angeles County – Olive View Urgent Care Center

Mid-Valley Comprehensive Health Center

Glendale Health Center

San Fernando Health Center

The Primary County Facilities shall include those facilities within the Valley Care Cluster which are so identified in Addendum A-II.a-3.

## **ADDENDUM A-I.a**

### **Purchased Services - Coastal Cluster (including Harbor)**

#### **Contract Year (CY) 2014-15**

**A-I.1. General.** Payment for Purchased Services will be calculated based on a combination of fixed and variable payments, as set forth in § A-I.4. In no event shall the fixed or variable rates or the payment methodology under this Addendum A be revised more frequently than every twelve (12) months.

**A-I.2. Fixed and Variable Costs.** The Parties agree that payment for Purchased Services should reflect the following variable costs: (a) program directors, (b) faculty members, (c) faculty trauma surgery, anesthesia and pediatrics augmentation, (d) faculty recruitment/retention augmentation (e) informatics and (f) radiologists. Pursuant to § 2.5.2.2, County shall also reimburse University for its cost for any University Housestaff assigned to Primary County Facilities. The following UCLA and County fixed costs (including salary and benefits where applicable), which will not vary within a given range of programs and Housestaff: (a) overall academic infrastructure, including graduate medical education fees, (b) Verinform/AmlOn, (c) University Representative, (d) University Graduate Medical Education Dean, and (e) University's administrative personnel.

**A-I.3. Volume of Purchased Services.** For CY 14-15, University shall provide Purchased Services as needed within the ranges or maximum set forth in this Addendum. In the event that County's needs fall outside of such ranges or maximum, the Parties may negotiate a different volume of services for specific line items; but as provided in § A-I.1, the fixed and variable rates set forth in § A-I.4 shall not vary during the course of the Contract Year.

Under §A-1.2, Faculty Members cost includes \$260,000 for faculty funded by the Department of Mental Health (DMH). The provision of these services beyond FY 14-15 is contingent upon continued funding provided by DMH. The County shall provide notice to the University at least 60 days prior to the start of any such Academic Year if there is a reduction or elimination of such DMH funding.

Under §A-1.2, a new Public Health Preventive Medicine Fellowship is included that is jointly funded by the Department of Public Health and Department of Health Services. This two year training program consists of two fellows per year. Exhibit 1-I.a includes the two additional Preventive Medicine FTEs for CY 14-15 that will cost approximately \$150,000. Effective CY 15-16 the estimated annual on-going cost will be \$300,000.

**A-I.4 Fixed, Unit and Total Payments.** During CY 14-15, County shall compensate University as follows (prices are rounded to the nearest \$500).

<u>Variable Costs</u>	<b><u>CY 12-13</u></b> <b><u>Total Price</u></b>	<b><u>CY14-15</u></b> <b><u>Total Price</u></b>
Program Directors	\$2,240,000	\$2,240,000
<b>Faculty Members</b>	<b>\$ 800,000</b>	<b>\$1,060,000</b>

#### ADDENDUM A-I.a

<b>University Housestaff Salaries</b>	\$ 895,500	\$1,045,500
Radiologists	\$ 678,000	\$ 678,000
Faculty Trauma Surgery, Anesthesia & Pediatrics Augmentation	\$1,784,000	\$1,784,000
Faculty Recruitment/Retention Augmentation	\$1,000,000	\$1,000,000
Informatics Program	\$ 359,000	\$ 359,000
<b>Total Variable Costs:</b>	<b><u>\$7,756,500</u></b>	<b><u>\$8,166,500</u></b>

	<u>CY 12-13</u>	<u>CY 14-15</u>
<u>Fixed Costs</u>	<u>Total Price</u>	<u>Total Price</u>
Academic Infrastructure	\$1,070,000	\$1,070,000
Verinform / AmlOn	\$ 100,000	\$ 100,000
University Representative	\$ 34,000	\$ 34,000
GME Dean	\$ 41,000	\$ 41,000
Administrative Personnel	\$ 102,500	\$ 102,500
Associate Dean Harbor-UCLA		
<b>Total Fixed Costs:</b>	<b><u>\$1,347,500</u></b>	<b><u>\$1,347,500</u></b>

**Total Coastal Payment:** **\$9,104,000** **\$9,514,000**

#### **A-I.5 Intentionally Omitted.**

**A-I.6 Faculty Recruitment & Retention Fund.** Addendum A includes a faculty recruitment and retention fund in the amount of \$1,000,000 for CY 14-15 to assist in the recruiting of new faculty, sign-on bonuses, academic advancement bonuses, and search firms, advertising and travel. To ensure accountability, the Facility Joint Planning Operations Committee will make all determinations regarding the use of this fund.

**A-I.7 Primary County Facilities.** The following facilities shall constitute the Primary County Facilities within County's Coastal Cluster:

Los Angeles County - Harbor-UCLA Medical Center

Harbor-UCLA Family Health Center

Long Beach Comprehensive Health Center

Bellflower Health Center

Wilmington Health Center



**ADDENDUM A-I.a**

**Martin Luther King Multi-Service Ambulatory Care Center**

**Department of Public Health Service Locations  
(Preventative Medicine Fellowship Only)**

**Department of Mental Health Service Locations  
(Only for Purchased Services funded by DMH)**

**Other Department of Health Services Locations  
(Preventative Medicine Fellowship Only)**

## ADDENDUM A-III.a

### Purchased Services - Valley Care Cluster (including Olive View)

#### **Contract Year (CY) 2014-15**

**A-II.1 General.** Payment for Purchased Services will be calculated based on a combination of fixed and variable payments, as set forth in § A-II.4. In no event shall the fixed or variable rates or the payment methodology under this Addendum A be revised more frequently than every twelve (12) months.

**A-II.2 Fixed and Variable Costs.** The Parties agree that payment for Purchased Services should reflect the following variable costs: (a) program directors, (b) faculty members, (c) hospitalists, and (d) faculty recruitment/retention augmentation. Pursuant to § 2.5.2.2, County shall also reimburse University for its cost for any University Housestaff assigned to Primary County Facilities. The following UCLA and County fixed costs (including salary and benefits where applicable), which will not vary within a given range of programs and Housestaff: (a) overall academic infrastructure, including graduate medical education fees, (b) Verinform/AmlOn, (c) University Representative, (d) University Graduate Medical Education Dean, and (e) University's administrative personnel.

**A-II.3. Volume of Purchased Services.** For CY 14-15, University shall provide Purchased Services as needed within the ranges or maximum set forth in this Addendum. In the event that County's needs fall outside of such ranges or maximum, the Parties may negotiate a different volume of services for specific line items.

Under Paragraph 1-II.1, Exhibit 1-II.a-3, § 1.II.1, six of the 18 psychiatry FTEs are fully funded by the Department of Mental Health for services to be provided at the DMH Olive View Urgent Care Center. Notwithstanding the above paragraph, the provision of these additional FTEs for any period beyond CY 14-15 shall be contingent upon continued funding by DMH. The County shall provide notice to the University at least 60 days prior to the start of any such Academic Year if there is any anticipated reduction or elimination of such DMH funding. The total number of FTEs to be provided shall then be reduced accordingly.

**A.II.4 Fixed, Unit and Total Payments.** During CY 14-15, County shall compensate University as follows (all prices are rounded to the nearest \$500):

<u>Variable Costs</u>	<u>CY 12-13</u> <u>Total Price</u>	<u>CY 14-15</u> <u>Total Price</u>
Program Directors	\$ 658,000	\$ 658,000
Faculty Members	\$ 589,500	\$ 589,500
University Housestaff Salaries	\$14,363,000	<b><u>\$15,309,000</u></b>
Hospitalists	\$ 285,000	\$ 285,000
Faculty Recruitment/Retention Augmentation	\$ 512,500	\$ 512,500

#### ADDENDUM A-III.a

**Total Variable Costs:    \$16,408,000            \$17,354,000**

<u>Fixed Costs</u>	<u>CY 12-13 Total Price</u>	<u>CY14-15 Total Price</u>
Academic Infrastructure	\$1,703,500	\$ 1,703,500
Verinform / AmlOn	\$ 35,000	\$ 35,000
University Representative	\$ 31,000	\$ 31,000
GME Dean	\$ 41,000	\$ 41,000
Administrative Personnel	\$ 102,500	\$ 102,500

**Total Fixed Costs:            \$1,913,000            \$ 1,913,000**

**Total Valley Care Payment for CY 2014-15:    \$18,321,000            \$19,267,000**

#### **A-II.5 COTH Housestaff Salary Adjustment**

Based upon the recommendation of the Council of Teaching Hospitals (COTH), the University increased the housestaff compensation levels for resident physicians for CY 13-14 by \$517,500, and CY 14-15 by \$428,500. This allows the University to achieve parity with national median housestaff salaries. The revised salary scale aims to ensure the University salaries remain competitive with national trends and that graduate medical education programs continue to attract qualified candidates. Due to DHS fiscal constraints, the University absorbed the one-time payment for the CY 13-14 increase only. Effective with CY 14-15, OV-UCLA MC shall pay for the CY 13-14 housestaff salaries (includes CY 13-14 increase) plus the increase applicable to CY 14-15. These COTH increases are within the 5% delegated authority granted to the DHS Director to increase annual allocations for University housestaff salaries to address approved compensation increases.

**A-II.6 Faculty Recruitment & Retention Augmentation.** Addendum A includes a faculty recruitment and retention fund in the amount of \$512,500 for CY 14-15 to assist in the recruiting of new faculty, sign-on bonuses academic advancement bonuses, and search firms, advertising and travel. To ensure accountability, the Facility Joint Planning Operations Committee will make all determinations regarding the use of this fund.

**A-II.7 Primary County Facilities.** The following facilities shall constitute the Primary County Facilities within County's Valley Care Cluster:

Los Angeles County -Olive View-UCLA Medical Center  
Los Angeles County – Olive View Urgent Care Center  
Mid-Valley Comprehensive Health Center  
Glendale Health Center  
San Fernando Health Center

**Total Payments**

**Contract Year (CY) 2014-15**

	<b><u>CY12-13</u></b>	<b><u>CY14-15</u></b>
Coastal Purchased Services	\$ 9,104,000	\$ 9,514,000
Valley Care Purchased Services	\$18,321,000	\$19,267,000
<b>Total Payment</b>	<b>\$27,425,000</b>	<b>\$28,781,000</b>